## Section 3(a)

The proposed Section 3(a) incorporates by reference further sections of the Armed Services Procurement Act which the Agency would be authorized to exercise. The principal change involves Section 2(c) of the Procurement Act which relates to the circumstances under which contracts may be negotiated without advertising. Previously the Agency could utilize the following subsections of 2(c):

- (1) In public interest during national emergency.
- (2) Public exigency will not admit delay.
- (3) Amount involved does not exceed \$1,000.
- (4) Personal or professional services.
- (5) Service by educational institution.
- (6) Procurement outside U.S.
- (10) Where impracticable to secure competition.
- (12) Contract should not be publicly disclosed.
- (15) Prices after advertising not reasonable or not independently arrived at.
- (17) Otherwise authorized by law.

The current bill would authorize the Agency to utilize the remaining negotiation authorities of Section 2(c) as indicated below.

(7) Medical Supplies. In the establishment of first aid stations and provisions of certain medical services there is required procurement of medicines

(over)

#### Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

and medical supplies. Authority to negotiate for such procurement is based on the fact that quite often considerations of quantity and exact composition often outweigh possible small differences in prices. Example of this would be our requirement for Salk vaccine.

- (8) In the conduct of operations it is often necessary to secure sterile property for shipment overseas to be utilized by operational personnel who, depending upon the circumstances, may either barter, give or resell the property. In other operational situations, the Agency has purchased items for resale to foreign governments.
- (9) Perishable subsistence supplies. The Agency must purchase "perishable subsistence supplies" for field station masses,

  This section would provide needed authority to negotiate for these supplies.
- (II) Experimental, development or research work. There is a continuing need for special equipment. It is necessary to enter into research and developmental contracts for production of such items. Examples are in the field of communications and in the clandestine services (TSS type equipment). Such items are often unique and the Agency must negotiate with security cleared contractors to obtain them.
- (13) The Agency communications system is on a world-wide basis and requires procurement of large quantities of radio receivers, transmitters and ancillary equipment. It has been found necessary that the spare parts inventory

(see Card 2)

ancillary equip

25X1

Card 2

(13) continued -

be built up through negotiation with selected contractors to assure standardization and interchangeability.

(16) Where necessary to keep particular plant or facility available. The circumstances covered by this authority are applicable to CIA in that we have work to be done or products to be manufactured which are unrelated to any commercial product. It is possible that unless we negotiated contracts with the specially qualified and security cleared contractors in these fields, they would

not be "available in the event of a national emergency." This authority is not widely used, even by the Department of Defense, and will be used even less by

CIA; however, it should be available in the event of a national emergency. (over) Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3
References to Sections 3 and 4 of the Procurement Act have been deleted since
the purpose of Section 3(a) is to provide authority whereas the deleted Sections
are procedural provisions and therefore inappropriate for inclusion in a statement
of authorities. The proceduresspecified by 3 and 4 are followed by the Agency as
a matter of course. There has been included in the proposed Section 3(a), Section 7
of the Procurement Act which provides for delegations of authority. In the current
law these are spelled out in Sections 3 (c) and 3 (d) which are being deleted by the
proposed bill in favor of incorporation by reference.

Section 3(b)

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

Proposed Section 3(b) authorizes contracts for research or development for periods up to five years, which is substantially similar to present authorities for military departments. In fulfilling its unique mission, the Agency lets contracts from time to time for important and novel research and development work. Such contracts often must extend over a relatively long period in order to accomplish the desired result and do not accommodate themselves to fiscal year limitations.

section i. Explanation

Section 3(c)

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

This is a revision of the current Section 3(b) to bring into accord the existing organizational positions. The provision is simply a definition of Agency head to include the DCI, DDCI and the Deputy Directors.



# TION 2

In view of the complexity of attempting to include certain new authorities in the field of travel and allowances, it was deemed preferable to reenact in its entirety Section 5 of the current law. The new authorities are clearly indicated in the explanations to follow and the provisions which are reenactments of existing law are also clearly indicated. In addition, the Section has been somewhat rearranged in order to place the various authorities in more logical sequence.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(a)

5(a)(1) Reenactment of existing law which provides payment of travel expenses.

5(a)(2) Reenactment of 5(a)(l)(B) authorizing payment of travel expenses for members of the family.

5(a)(3) Reenactment of 5(a)(1)(C) which authorizes payment of transportation expenses of furniture and household and personal effects of employees.

5(a)(4) Reenactment of 5(a)(4) of existing law which provides for the payment of shipping expenses for private automobiles.

5(a)(5) Modifies the existing law Section 5(a)(1)(D) authorizing storing of furniture and household effects where the employee is unable, because of emergency conditions, to take his furniture. The modification permits storage on the basis of a determination by the Agency that it would be cheaper to store the furniture than to transport it. The language accomplishing this modification is similar to Foreign Service authority which has been in effect for several years.

5(a)(6) Reenactment of 5(a)(1)(E) which authorizes cost of storing furniture and household and personal effects of an employee at first arrival at a post abroad.

(over)

- 5(a)(7) Reenactment of 5(a)(1)(F) which authorizes travel expenses and transportation costs incidental to moving an employee's family from a post during temporary periods because of dangerous conditions.
- 5(a)(8) This provision is new and will permit payment for one trip to a United States port of entry and return to his parents' post abroad for an employee's child during each of the high school and college periods. This authority is identical to the authority granted in this regard to Foreign Service in the 84th Congress.
- 5(a)(9) Reenactment of 5(a)(6) of existing law which authorizes payment of cost of preparing and transporting the remains of an employee or member of his family who may die abroad.

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This is a revision of Section 5(a)(2) of the present law which authorizes the Agency to charge expenses of travel and transportation to the appropriation for the fiscal year current when any part of the travel begins notwithstanding that the travel may not be completed during that current year. The existing law limits the authority to travel involving permanent change of station. The revision would grant similar authority with respect to travel expenses for temporary duty travel. In addition, the revision would also extend the authority to the expenses in connection with transporting automobiles.

# Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(c)

5(c)(1) This revision brings up to date Section 5(a)(3)(A) of the current law which provides authority to approve travel for home leave purposes upon completion of two years of service abroad. The amendment eliminates the requirement that employees have accumulated sufficient leave to carry them in leave status for 30 days. Under present leave laws it is impossible for some employees to accumulate sufficient leave and with the proposed granting of statutory home leave benefits the accumulation requirement becomes meaningless. The revision also deletes obsolete references to Code citations.

5(c)(2) Reenactment of 5(a)(3)(B) in the current law which provides travel time will not be charged to leave.

5(c)(3) Reenactment of 5(a)(3)(C) in the current law provides that an employee while in this country for leave may be assigned to temporary duty in the Agency but shall not be available for any other work or duties.

5(c)(4) Extends the statutory home leave provisions of the Annual and Sick Leave Act of 1951 to CIA employees stationed abroad, and thus places them on a similar

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3(over)

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 basis to members of the Foreign Service in this regard. There is need for a period of home leave during which an employee can bring himself up to date on current affairs in the United States and handle personal affairs neglected during long service overseas. The phrases "and as it may hereafter be amended" are inserted in order to equate proposed CIA legislation to any possible changes in government-wide leave legislation.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(d)

The following specific sections reenact existing authorities in the field of medical benefits and, in addition, incorporate new authorities. The rearrangement of Section 5 in the proposed bill is such that the medical benefits are available not only to persons assigned to permanent duty stations abroad but also to persons serving abroad on temporary duty. This has been accomplished by not having the medical benefits sections under the general preamble to the previous section 5(a) of the existing law.

Approved For Release 2002/05/2/d.) (d)A-RDP78-04718A002000310059-3

This revision reenacts Section 5(a)(5)(A) of existing law which authorizes the Agency to pay travel expenses of employees of the Agency to a suitable hospital and return in the event of illness or injury if there is no suitable medical facility at the assigned post. Current law also provides for payment of travel expenses of an attendant if the employee is too ill to travel unattended. The revision simply extends this coverage to dependents of employees. As the members of the employee's family find themselves in these localities solely because of the employee's employment with the Agency, it is considered appropriate for the Agency to bear the travel costs in such cases. The Foreign Service is currently requesting similar authority.

Approved For Release 2002/06/27 (4) A-RDP78-04718A002000310059-3

This is a reenactment of existing law section 5(a)(5)(C) which provides authority for payment of medical expenses to employees assigned abroad.

# Section 5(d)(2)(B)

This is a new provision which extends limited medical benefits to dependents of an employee who are located abroad because of the employee's assignment to a foreign post. It is not intended that the Agency assume the full cost of providing medical care and treatment for Agency employees under all circumstances. Provision is made that the employee assume the first \$35.00 of such costs with a limitation of 120 days of hospitalization for each illness or injury. In exceptional circumstances, the maximum limitation shall not apply when it is determined that the illness or injury clearly is caused by the fact that the dependent is or has been located abroad. For example, civil strife resulting in serious injury to the wife of an Agency employee or a child's contraction of an infectious disease (despite observance of normal precautionary measures) which rarely occurs in the United States, would seem to warrant the Agency assuming the full cost. The requested authority is identical to the authority currently being sought by the Foreign Service.

(See Next Card)
Approved For Release 2002/06/27 : CIA-RDP78-04718A002000310059-3

Approved For Release 2002/06/27 : CIA-RDP78-04718A002000310059-3 Section 5(d)(2)(A) and 5(d)(2)(B)

The language of the proposed bill is in substantial accord with the Foreign Service Act amendments as approved by the Senate in S. 3481. In fact, at the suggestion of the Bureau of the Budget our initial language was changed to conform with the Foreign Service Act amendments. We note that in the Senate consideration certain changes were made. The principal change concerned the insertion of the words "similar treatment" after "hospitalization" in recognition that in some areas of the world the home of the officer or employee would contain better facilities for treatment than the local hospital. Therefore, we should insert the words "or similar treatment" in both sections immediately following the word "hospitalization" wherever it occurs. It occurs once in 5(d)(2)(A) and twice in 5(d)(2)(B).

In addition, there has been added to S. 3481 a section providing that after experience has been obtained in connection with the new medical benefits, the Secretary can determine that if the benefits can be provided for as well and as cheaply in other ways the Secretary may contract for medical care pursuant to such arrangements, insurance, medical service, or health plans as he may deem appropriate. Therefore, it might be desirable to conform our language further to the Foreign Service bill to include a new subsection 5(d)(2)(C) as follows:

(over)

#### Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

"After sufficient experience in the operation of the medical protection plan authorized in subsections (a) and (b) of this section has been obtained, as determined by the Secretary, and if he considers that the benefits so authorized can be provided for as well and as cheaply in other ways, the Secretary may, under such regulations, and for such persons, locations, and conditions as he may deem appropriate, and within the limits prescribed in such subsections, contract for medical care pursuant to such arrangements, insurance, medical service, or health plans as he may deem appropriate."

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This is a reenactment of Section 5(a)(5)(D) which authorizes establishment of a first aid station and a nurse at posts where deemed required. In addition, the amendment also authorizes the Agency to provide the services of a physician or other medical personnel at posts where sufficient personnel are employed. It is not intended to establish facilities of this kind at all posts. Normally this Agency would be able to rely on other Government facilities or private facilities. At some posts, however, only the most primitive medical facilities exist or in some cases, although suitable facilities exist, they are not available to Agency employees. Therefore, establishment of essential medical facilities and services is believed to be a practical investment from the point of view of the Government as an employer as well as to the benefit of employees morale.

Approved For Release 2002/06/27; CIA-RDP78-04718A002000310059-3
Section 5(d)(4)

This is a reenactment of 5(a)(5)(D) which authorizes the Agency to provide periodic physical examinations and inoculations for employees. In addition, this authority would be extended in the case of dependents of employees. Although in practice inoculations have been granted dependents, the matter is not free from doubt and, therefore, this clarifying language is sought. The wording of this provision is substantially in accord with the existing law applicable to Foreign Service.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3
Section 5(e)

Reenactment of existing law Section 5(a)(7) which provides for the payment of costs of travel of new appointees and their dependents from place of actual residence abroad to place of employment by the Agency.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3
Section 5 (f)

The various subsections under 5(f) provide the authority for granting of various types of allowances for persons assigned abroad. Previously these authorities were available in part through incorporation by reference of certain sections of the Foreign Service Act and through reliance on statutory provisions of general applicability in Government. It was believed desirable to establish the Agency's authorities in a clear-cut fashion based on Agency requirements in order to facilitate the administration of the allowances and determination of need for further authorities as future needs indicated. The preamble to the granting of all of these allowances is that they will be in accord with such regulations as the President may prescribe. Currently Executive Order 10100 establishes the Presidential regulations in the field of allowances for this Agency. An appropriate amendment to this Executive Order will be proposed to conform with the proposed statutory amendments should they be enacted into law.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(f)(1)

This provision provides for the basic quarters allowance and also for the temporary lodging allowance. The wording is substantially similar to the Foreign Service provisions and those available generally in Government.

Approved For Release 2002/06/27 : CIA-RDP78-04718A002000310059-3 Section 5(f)(2)

- (A) This provision provides authority for the basic cost-of-living allowance at posts abroad in subsection (A).
- (B) Subsection (B) provides authority for the transfer allowances. These allowances and the language used are substantially in accord with those utilized by the Foreign Service.
- (C) This subsection provides authority for the separation allowance where the requirements of the post are such that for the convenience of the Government an employee is unable to have his dependents with him. This also is similar to Foreign Service authority.
- (D) This subsection will permit the Agency to provide an appropriate allowance to meet extraordinary and necessary tuition expenses incurred by an employee in providing proper elementary and secondary education for his dependents. The language used is substantially similar to that currently available to Foreign Service and through Appropriation Acts to the Government generally.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

Section 5(f)(3)

This authority will permit establishment of appropriate differentials in various localities outside the continental United States where conditions of environment warrant additional compensation as a recruitment and retention incentive. The authority is applicable both to posts abroad and territorial localities. The language utilized is substantially similar to that in the Foreign Service Act for foreign areas and statutory authorization applicable generally to the Government for territorial locations.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(g)

This section provides that the allowances paid by the Agency in accord with Sections 5(f)(1) and (2) shall be exempt from Federal income tax. The wording of a similar provision in the Internal Revenue Code applicable to allowances granted the Foreign Service and other Government employees is not sufficiently broad to cover allowances which would be available pursuant to the provisions of the amended CIA Act. Therefore, the proper language has been included here.



Section 3.

This proposed amendment would raise from 15 to 35 the number of retired officers of the armed services employable by CIA under the authority of Section 6(f)(1) of our Act, whose employment by the Federal Government would be otherwise barred by other statutory limitations on the employment of such officers. It was pointed out in the report of the Clark Task Force of the Hoover Commission, and this Agency concurs in its conclusion, that increased use should be made, if possible, of the talents of retired military officers whose ability and experience fit them for the types of work done by this Agency.

#### Section 4.

This is a new provision which would authorize the Agency to make advance payments in foreign countries where necessary to meet their laws or regulations, or for advance payment of rent which may be necessary to accord with local custom. Without specific statutory exemption, Section 3648 of the Revised Statutes prohibits the Government from making such advance payments. The prohibition works a hardship in many foreign countries whose laws or customs require advance payments particularly for rent. Numerous exceptions have been made to Section 3648 for such agencies as the Bureau of Customs, the Office of Scientific Research, and Development, the Department of State and the Armed Services.



Section 5.

This provision corrects a typographical error in Section 10(a)(1) of the Central Intelligence Agency Act of 1949. The authority which was intended to be granted by this clause was the authority to pay claims under the Federal Tort Claims Act (Chapter 171), but the chapter number was omitted from the final printed versions of the bill as passed.

# SUMMARY OF PROPOSED CIA BILL

Approved For Release 2002/06/27 : CIA-RDP78-04718A002000310059-3

- Section 1. This Section amends Section 3 of the current law to bring up to date CIA authorities in the field of contracting. Substantially we have incorporated by reference various provisions of the Armed Services Procurement Act and the revision incorporates a few more of them.
- Section 2. This Section rewrites in its entirety Section 5 of the current law which deals with travel and medical expenses, allowances and other items. The specific groupings are as follows:

  5(a) Travel and transportation authorities.
  - 5(b) Fiscal year charges for travel and transportation expenses.
  - 5(c) Authority for home leave travel and accumulation of home leave.
    5(d) Reimbursement of medical expenses and transportation for the purpose
    - of securing medical treatment. Included are limited benefits for dependents.
    - 5(e) Travel and transportation expenses of new appointees residing abroad.
      5(f) Authorities relating to the granting of various allowances such as
      - cost-of-living and quarters.
    - 5(g) Exempts allowances granted under the above authority from Federal income taxes.

### Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

- Section 3. This amends a part of Section 6 of the current law to permit us to hire 35 retired officers in lieu of the old figure of 15.
- Section 4. Amends a portion of Section 6 of existing law to grant fiscal authority for advances of funds in certain situations.
- Section 5. Amends Section 10 of the existing law and is simply a technical amendment to correct a printing error in the existing law.



Section 3 of the current law is revised in its entirety to read as follows:

- "(a) In the performance of its functions, the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c), 5,6,7, and 10 of the Armed Services Procurement Act of 1947, approved Feb. 19, 1948, as amended (62 Stat. 21, 41 U.S.C. 151).
- "(b) Contracts of the Agency for services and use of facilities for research or development may be for a term not to exceed five years, and may be extended for an additional period not to exceed five years, subject to the availability of appropriations therefor.
- "(c) For purposes of this section, the term "agency head" shall mean the Director and Deputy Director of Central Intelligence and the Deputy Directors of the Agency."



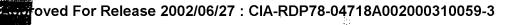
#### Section 5.

Section 5. (a) Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned abroad, may

- (1) pay the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of section 5(c) with regard to the granting of home leave;
- (2) pay the travel expenses of members of the family of an officers or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on unauthorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;
- (3) pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to his residence at time of appointment or to a point not more distant, or, upon retirement, to the place where he will reside;
- (4) notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned automobile in any case where it shall be determined that water, rail, or air transportation of the automobile is necessary or expedient for any part or all of the distance between points of origin and destination, and pay the costs of such transportation;

(over)

- (5) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty; or who is assigned to a point to which he cannot take or at which he is unable to use his furniture and household and personal effects; or when such storage would avoid the cost of transporting such effects from one location to another;
- (6) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;
- (7) pay the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to live and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned;
- (8) pay the travel expenses incurred by an officer or employee of the Agency in transporting dependents to and from United States ports of entry designated by the Agency, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining such type of education;
- (9) pay the costs of preparing and transporting the remains of an officer or employee of the Agency or a member of his family who may die while in travel status or abroad, to icial station, or to such other place as the Director may



Section 2 - Bill

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determine to be the appropriate place of interment, provided that in no case shall the expense payable be greater than the amount which would have been payable had the destination been the home or official station.

# Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(b)

The Agency may charge expenses in connection with travel of personnel, their dependents, and transportation of their household goods, personal effects, and automobiles to the appropriation for the fiscal year current when any part of either the travel or transportation begins pursuant to previously issued travel orders, notwithstanding the fact that such travel or transportation may not all be effected during such fiscal year, or the travel orders may have been issued during the prior fiscal year.

Section 2 - Bill

# Approved For Rele**Sec 2002 (b) (b) 2** 7 : CIA-RDP78-04718A002000310059-3

Section 5(c)(1)

Under such regulations as the Director may prescribe, the Agency may order to the continental United States or its territories and possessions on leave of absence as provided by law, every officer and employee of the Agency, upon completion of two years continuous service abroad, or as soon as possible thereafter.

5(c)(2) While in the continental United States on leave, the service of any officer or employee shall not be available for work or duties except in the Agency or for training or for reorientation for work; and the time of such work or duty shall not be counted as leave.

5(c)(3) Where an officer or employee on leave returns to the United States or its territories and possessions, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States or its territories and possessions, and such time as may be necessarily occupied in awaiting transportation.

5(c)(4) The provisions of Section 203(f) of the Act of October 30, 1951, as amended (65 Stat. 679, U.S. C. 2061), and as it may hereafter be amended, shall be applicable

(over)

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 to officers and employees of the Agency, and such officers and employees shall be subject to the limitations as to the accumulation of leave applicable to officers and employees in the Foreign Service of the United States under the Department of State as provided in Sections 203(c) and (d) of the Act of October 30, 1951, as amended (65 Stat. 679, 5 U.S.C. 2061), and as it may hereafter be amended.

Section 2 - Bill

## Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(d)(1)

In the event of illness, injury or maternity incurred while on assignment abroad, by an officer or full-time employee of the Agency or by a member of the family accompanying such officer or employee, not the result of vicious habits, intemperance, or misconduct on the part of such persons, in a locality where there does not exist a suitable medical facility, the Agency may, under such regulations as the Director may prescribe, pay the travel expenses of such officer or employee, or member of his family, by whatever means are considered appropriate without regard to the Standardized Government Travel Regulations and Section 10 of the Act of March 3, 1933 as amended (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable medical facility exists and on the recovery of such individual pay for the travel expenses of return to the post of duty of such officer or employee, or member of his family. If such officer or employee, or member of his family, is too ill to travel unattended, the Agency may also pay the compensation and round trip travel expenses of an attendant or attendants.

Section 2 - Bill

### Section 5(d)(2)(A) Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

The Director may, in the event of illness or injury requiring hospitalization of an officer or employee of the Agency, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic.

#### Section 5(d)(2)(B)

In the event a dependent of an officer or employee of the Agency who is stationed abroad, incurs an illness or injury while located abroad, which requires hospitalization and which is not the result of vicious habits, intemperance, or misconduct, the Agency may, in accordance with such regulations as the Director may prescribe, pay for that portion of the costs of treatment of each such illness or injury at a suitable hospital or clinic that exceeds \$35.00 up to a maximum limitation of 120 days of hospitalization for each such illness or injury, except that such maximum limitation shall not apply whenever the Director, on the basis of professional medical advice, shall determine that such illness or injury clearly is caused by the fact that such dependent is or has been located abroad.

Section 2- Bill

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The Director may establish a first aid station and provide for the services of a physician, a nurse, or other medical personnel at a post at which, in his opinion, sufficient personnel are employed to warrant such a station.

Section 2- Bill

### Approved For Release 2002/06/27 : CIA-RDP78-04718A002000310059-3 Section 5(d)(4)

The Director may provide for the periodic physical examination of officers and employees of the Agency and their dependents and for the cost of administering inoculations or vaccinations to such officers or employees and their dependents.

### Approved For Release 2002/08/27: CIA-RDP78-04718A002000310059-3

In accordance with such regulations as the Director may prescribe, the Agency may pay the costs of travel of new appointees and their dependents, and the transportation of their household goods and personal effects, from places of actual residence in foreign countries at time of appointment to places of employment and return to their actual residences at the time of appointment or a point not more distant: Provided, That such appointees agree in writing to remain with the United States Government for a period of not less than twelve months from the time of appointment. Violation of such agreement for personal convenience of an employee or because of separation for misconduct will bar such return payments and, if determined by the Director or his designee to be in the best interests of the United States, any money expended by the United States on account of such travel and transportation shall be considered as a debt due by the individual concerned to the United States.

# Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(f)(1)

Allowances, whenever Government owned or rented quarters are not available at a post abroad, for living quarters, heat, light, water, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status.

# Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(f)(2)

Cost-of-living allowances whenever -

- (A) the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Agency at such post to carry on his work efficiently;
- (B) extraordinary and necessary expenses not otherwise compensated for are incurred by an officer or employee of the Agency incident to the establishment of his residence at any post of assignment abroad or at a post of assignment in the continental
- United States between assignments to posts abroad; (C) an allowance is necessary to assist an officer or employee of the Agency who is compelled by reasons of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than at the post of his assignment:
- (D) extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Agency, by reason of his service abroad, in providing for adequate elementary and secondary education of his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs

### Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3

reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under subsection 5(a)(8).

A foreign post differential or a territorial post differential on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Additional compensation paid as a foreign post differential or territorial post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

Approved For Release 2002/06/27: CIA-RDP78-04718A002000310059-3 Section 5(g)

Amounts received as allowances pursuant to the provisions of Section 5(f)(1) and (2) of this Act shall not be included in gross income, and shall be exempt from taxation under the Internal Revenue Code of 1954, as amended, and as it may hereafter be amended.



Section 6(f)(1) of such Act is amended by striking out "fifteen" and inserting in lieu thereof the following: "thirty-five".

Section 4 - Bill

#### Section 4.

Section 6 of such Act is amended by the insertion of a semicolon in lieu of the period at the end of subsection (f) and by the addition of a new subsection (g) which shall read as follows:

- (g) Make payments without regard to section 3648 of the Revised Statutes (31 U.S.C. 529), when made -
- (1) in compliance with the laws of foreign countries or their ministerial regulations, and
- (2) for rent in foreign countries for such period as may be necessary to accord with local custom.

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#### Section 5.

Section 10(a)(1) of such Act is amended by inserting "Chapter 171 of" immediately before "28 U.S.C."